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October 24, 2003

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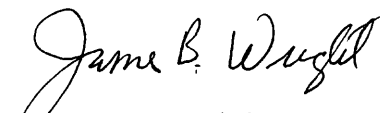
RE: Docket No. 03-00442; *United Telephone-Southeast, Inc.*
Tariff 2003-710 to Introduce Safe and Sound II Solution
UTSE Reply Brief

Dear Chairman Tate:

Enclosed please find an original and thirteen copies of the United Telephone-Southeast, Inc. Reply Brief for filing in the above-referenced docket.

A copy of this Brief is being served on counsel of record. Please contact me if you have any questions regarding this matter.

Sincerely,


James B. Wright

Enclosures

cc: Vance L. Broemel (with enclosure)
Guy Hicks (with enclosure)
Laura Sykora
Kaye Odum

BEFORE THE TENNESSEE REGULATORY AUTHORITY
AT NASHVILLE, TENNESSEE

IN RE: UNITED TELEPHONE-SOUTHEAST, INC.)
TARIFF 2003-710 TO INTRODUCE SAFE AND) DOCKET NO. 03-00442
SOUND II SOLUTIONS)

REPLY BRIEF OF
UNITED TELEPHONE-SOUTHEAST, INC.

United Telephone-Southeast, Inc. ("Sprint"), files this Reply Brief addressing the matters raised in the October 20, 2003 Initial Brief ("Brief") filed by the Consumer Advocate and Protection Division of the Office of the Attorney General ("Consumer Advocate") regarding Sprint's Safe and Sound II Solution tariff ("Tariff").

The Consumer Advocate's position is that a discounted bundled offering including both regulated (telecommunications) and non-regulated (non-telecommunications) services is available to resellers and is subject to the wholesale discount required for telecommunications services. In support of this position, the Consumer Advocate cites in his Brief a sentence in paragraph 877 of the Federal Communications Commission's *Local Competition Order*¹, and the FCC's *Arkansas Preemption Order*². While these two cites contain language that on the surface appear to address the issue, in fact the conclusions therein

¹ *In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996*, CC Docket 96-98, First Report and Order Released August 8, 1996.

² *In the Matter of American Communications Services, Inc.*, CC Docket 97-100, Released December 23, 1999.

are based on the implicit assumption that the services under consideration are all regulated telecommunications services. For example, the referenced FCC orders invariably describe the resale obligation as applying to a telecommunications service, to a retail rate that is subject to resale, or language to similar effect. However, non-telecommunications services are not subject to resale, and thus do not fall within the intent of the cited FCC Orders.

To the extent a bundle consists entirely of discounted regulated telecommunications services, Sprint agrees with the Consumer Advocate that such a bundle is indeed subject to the further wholesale resale discount. However, the issue in this case deals with a bundle which includes both telecommunications and non-telecommunications services. For this reason, the cases relied upon by the Consumer Advocate are not determinative of the issue in this case. The FCC decisions do not extend to the case where a bundle includes non-regulated services.

As Sprint noted in its Brief, the obligation to resell is limited to telecommunications services. If a service is not a telecommunications service, the incumbent local exchange carrier has no resale obligation. If a bundle includes both regulated telecommunications services and non-telecommunications services, there does not exist any legal or logical basis to extend the limited resale obligation to a deregulated non-telecommunications service.

The Consumer Advocate concedes that if somehow the bundle of regulated and non-regulated services is made subject to the wholesale discount requirement, it is uncertain how the process would work...that discovery would be required and that the manner of determining how the discount is applied may well vary in each case depending on provisioning, pricing, and cost information related to the various elements (Consumer Advocate Brief, page 11). Such a resource consuming, time expanding, unjustified procedure is an enormous disincentive for companies to even contemplate offering discounted, mixed bundled services and the consequent delay in bringing lower prices to the market is itself an anti-competitive anti-consumer approach to the market place.

Sprint's position is sound policy. Deregulated services are available from numerous sources. A reseller can purchase a regulated service such as an access line from Sprint's tariff at a wholesale discounted rate (or a CLEC can purchase a UNE loop pursuant to an interconnection agreement). Such purchaser is equally able to obtain from a vendor the deregulated services just as Sprint proposes to do in this case. Resellers and CLECs are able to mix and match any combination of these or other services. The lack of a resale purchase of Sprint's bundle will not discourage competition as the Consumer Advocate asserts, but in fact just the opposite will occur, since it will encourage the introduction of varied product and service offerings engaging multiple vendors. Accordingly there is no sound legal or policy reason to object to Sprint's position that bundles including non-regulated offerings are not subject to resale.

Respectfully submitted,
UNITED TELEPHONE-SOUTHEAST, INC.

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October 24, 2003

CERTIFICATE

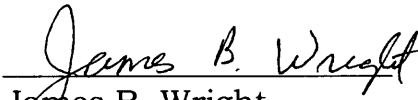
Safe and Sound Tariff (Docket No. 03-00442)

The undersigned hereby certifies that a copy of the foregoing Reply Brief was served on each of the following, by hand delivery, by overnight air express, or placing a copy of the same in the United States Mail postage prepaid and addressed as follows:

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Vance Broemel
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This 24th day of October, 2003


James B. Wright